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THE PARK GOVERNMENTS OF CHICAGO

GENERAL SUMMARY AND CONCLUSIONS
OF
A REPORT PREPARED BY THE
CHICAGO BUREAU OF PUBLIC EFFICIENCY

DECEMBER, 1911

In progress

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GENERAL SUMMARY AND CONCLUSIONS
OF
A REPORT PREPARED BY THE
CHICAGO BUREAU OF PUBLIC EFFICIENCY
315 PLYMOUTH COURT

SB 483
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1911

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TABLE OF CONTENTS

	Page.
INTRODUCTION	4
GENERAL SUMMARY AND CONCLUSIONS.....	5
I. Waste and Inefficiency the Natural Consequences of Lack of Unity.....	5
II. General Characterizations of the Separate Park Systems	7
1. The South Park System.....	7
2. The West Park System.....	8
3. The Lincoln Park System.....	11
4. The Smaller Park Districts.....	11
III. Publicity for Park Board Affairs.....	12
IV. Financial Matters	13
V. Improvements Pending Unification	14
Chart of Organization Under Consolidation, as Suggested by the Chicago Bureau of Public Efficiency.....	
	Insert Back Cover
Map Showing Park Districts and Parks Within the City of Chicago	Insert Back Cover

INTRODUCTION

The Chicago Bureau of Public Efficiency has prepared and published a report on the park governments of Chicago, giving the results of an extensive inquiry into their organization and methods of administration.

The full text of the report, copies of which may be had upon request by persons desiring it, contains much detailed matter, of interest chiefly to those directly concerned in park work and activities. The main features of the report, from the viewpoint of the public at large, have been brought together under the heading, "General Summary and Conclusions," and are published in this pamphlet for the purpose of popular distribution.

GENERAL SUMMARY AND CONCLUSIONS

I. WASTE AND INEFFICIENCY THE NATURAL CONSEQUENCES OF LACK OF UNITY

Under separate management, each of the three large park systems of Chicago has points of excellence—the South Park and Lincoln Park systems more than the West Park system. From the viewpoint of the community as a whole, however, there is not only much waste and inefficiency in connection with expenditures of park funds, but the needs of the people for park facilities are not properly met, nor can they be, so long as the present lack of unified management continues.

There are ten separate park boards within the City of Chicago—not counting the Special Park Commission, which is an arm of the city government, nor the Forest Preserve Commission, intended to have taxing authority over the entire County of Cook, the act creating which has been declared unconstitutional. There are portions of the City of Chicago that are not within any of the ten separate park districts. The names of these ten boards, the amount of the outstanding bonded indebtedness and of the annual tax levy of each are given in the following tabular statement:

Park District	Total Bonded Indebtedness at End of Fiscal Year 1910	Taxes Extended by County Clerk for 1910
South	\$ 5,920,000.00	\$2,601,159
West	2,763,166.66	1,437,263
Lincoln	*1,790,000.00	990,239
Calumet		112
Fernwood	*13,000.00	3,867
Irving		9,256
North Shore	32,000.00	10,506
North West		**
Ridge	32,500.00	6,542
Ridge Avenue		3,544
	<hr/> <u>\$10,550,666.66</u>	<hr/> <u>\$5,062,488</u>
Special Park Commission—Appropriation by City Council for 1910.....		130,102
	<hr/> <u>\$10,550,666.66</u>	<hr/> <u>\$5,192,590</u>
Less: Sinking Fund (See below)....	<hr/> <u>470,458.81</u>	
Net Indebtedness	<hr/> <u>\$10,080,207.85</u>	

*Sinking funds held against these bonds as follows:

Lincoln.....\$470,000.00 Fernwood.....\$458.81.

**This park district was not organized until 1911.

It was in 1869 that legislative action was secured looking to the creation of the three large park systems, one for each division of the city. The seven smaller park districts, comprising territory within the city, but not under the jurisdiction of the South, West or Lincoln Park Boards, have come into existence under authority of an act of the Legislature passed in 1895.

By legislative action of the late 50's and early 60's Chicago was dealt with as three divisions for street railway purposes. This was a serious mistake and has been productive of great harm, as the community now realizes. Pressure of public opinion is being exerted to force the unification of local transportation lines. The separation of the city into park divisions by the legislation of 1869, following close upon the harmful example set by the street railway legislation of a few years before, was likewise a mistake. Chicago, for park purposes, as well as for transportation purposes, should be treated as one community, not three or more. All the park governments should be merged with the city.

Park revenues and benefits ought to be distributed over the community more equitably. Under present conditions the South Park Commissioners have more money than they know what to do with. They carry excessively large balances in the banks and expend funds wastefully on a large scale. The West Chicago Park Commissioners, who are wasteful in petty ways, really have not the funds with which to make adequate provision for the park and playground needs of the territory under their jurisdiction.

It is estimated that unification of park activities under the city government would mean a money saving of \$500,000 a year. This is about four times the amount of the appropriation for 1910 of the Special Park Commission of the city, and over two-thirds as much as this body has spent during the entire ten-year period of its useful existence. The sum that might be saved each year by consolidation is approximately half as much as the annual tax levy of the Lincoln Park Board, and one-third that of the West Park Board.

II. GENERAL CHARACTERIZATIONS OF THE SEPARATE PARK SYSTEMS

1. THE SOUTH PARK SYSTEM.

In many ways the administration of the South Park system is excellent. The standards of public service in the main are high. This board carries on directly a larger proportion of its activities than any other municipal government in the community, and for the most part with satisfactory results. The enterprise manifested in the development and successful management of small park and playground facilities has elicited world-wide commendation. The improvement of Michigan Avenue and the development of Grant Park are undertakings that have excited the pride of the entire city by their prospective magnificence.

In certain respects, however, the South Park Board has been wasteful on a large scale. With more revenue than all the other park agencies of the city combined, it has embarked upon unwise projects that would hardly have been undertaken but for the abundance of funds at its disposal.

During the five years ending April 1, 1911, the South Park Board had on deposit in bank never less than \$1,000,000. The monthly average of the deposits during the period was approximately \$1,800,000. It is wasteful to carry such large deposits in bank at comparatively low interest rates, while the Board is paying much higher interest rates on money borrowed. Savings could have been effected by delaying the sale of bonds until nearer the time that the money was needed.

The South Park Board insisted upon building a new steam-driven electric plant of its own at the very time that the West Chicago and Lincoln Park Boards were entering into contracts with the Sanitary District for the supply of electric current. The new plant was put into operation January 31, 1908. The cost of current per kilowatt-hour for the year ending November 30, 1910, was 1.559 cents. In April, 1911, a five-year contract was made with the Sanitary District for the delivery of electric current at a price of three-quarters of a cent a kilowatt-hour. The failure of the South Park Board to co-operate earlier with the Sanitary District resulted in a needless expenditure for this steam-driven

electric plant of approximately \$319,000. Accountants of the Park Board gave this sum as the investment that would not have had to be made if the Board had decided earlier to purchase from the Sanitary District electric current used in the South Park system.

The site of Marquette Park was purchased in 1903 and 1904 at a cost of \$267,733. It has been since improved at a cost of \$305,943. The area around this park is sparsely settled. The park is little used. It is not yet needed in the neighborhood. Its improvement long in advance of the need was unwise. The interest on the bonds issued for this improvement, amounting to over \$12,000 a year, must therefore be characterized as a wasteful expenditure. Moreover, the improved portion of the park causes a current expense for maintenance.

Another expenditure deserving criticism was that for the new administration building, erected in Washington Park at a cost of \$173,417. The old building could have been enlarged and made serviceable at a cost of less than \$30,000, thus making possible a saving of about \$145,000. The wisdom of locating in a public park such a costly and conspicuous structure for administrative purposes is questionable in any event. But in view of the likelihood of park consolidation, after which the main administrative functions would be centered in the City Hall, the expenditure of so large a sum on an administrative building must be regarded as clearly unwise. The public should be on the alert to prevent any similar expenditures that are inconsistent with the program of merging all Park Boards with the city.

2. THE WEST PARK SYSTEM.

The West Park system has a varied history. Political management, extending over several administrations, brought about demoralization. A few years ago, under the presidency of Mr. B. A. Eckhart, and the superintendency of Mr. Jens Jensen, there was a complete reversal of policy. These two men effected revolutionary changes in park management and wrought great improvements. Following the retirement of Mr. Eckhart as President and of Mr. Jensen as Superintendent, there has been retrogression. The dominating control at the present time is political.

The actual directing head of the West Park system is not the Superintendent, but the Secretary, who is primarily a politician. The note of political control is more pronounced in the West Park system than in either the South Park system or the Lincoln Park system. The Commissioners and the Secretary have sought to avoid the scandals that characterized the administrations prior to Mr. Eckhart's time. Apparently they are trying to do as well as they can without eliminating political considerations in park management. They are striving to meet the needs of the district for additional park and playground facilities, in which they are hampered because the revenues are not commensurate with the needs. Instances of inefficiency, unbusinesslike methods and waste on a small scale are certain to develop, however, when political motives are allowed to enter in park management.

A few such instances, illustrative of the point in question, are presented herewith.

William Holliday, a mechanic employed to repair automobiles, was carried on the payroll for 243 continuous days, Sundays and holidays included, for 10 hours a day at 70 cents an hour. Holliday's bills were paid at once, without proof of their correctness. Moreover, \$395 was advanced to him from the contingent fund. On March 1, 1911, Holliday was placed on the payroll at \$4.50 a day. On September 1, last, he was still on the payroll, but no deduction had been made from his wages on account of the \$395 over-payment. Automobile parts and supplies used by Holliday in repair work were purchased by him personally. On September 1, 1911, \$9,212.52 had been paid Holliday in cash, of which \$5,111.27 was for supplies and parts. The reason given for allowing Holliday to make these purchases was that he could secure a larger discount than the Park Board, which he would divide with the Board. Examinations made by the Bureau indicate that Holliday not only charged the Board full price for articles on which he obtained a discount, but in some cases he charged the Board more than the list prices in the printed catalogues of the dealers. He was paid by the Board \$30 for a cylinder which an auto company furnished him free of charge. Moreover, the park records show no refunds or credits for articles which Holliday returned unused, and for which he received either

cash or a credit on other purchases. The transactions of the West Park Board with Holliday furnish a striking example of waste of public funds.

In April, 1911, employes of the West Park Board were used for several days to do work about a political club house, of which club the Attorney of the West Park Board is president. They were engaged in sodding the lawn and in trimming and planting trees. The sod was brought to the club house in a West Park wagon. Bureau investigators observed the West Park Attorney directing the work of the park employes on the club house grounds.

The South Park Board and the Lincoln Park Board each has one attorney. The West Park Board has a \$3,000 attorney, an \$1,850 assistant, a \$1,200 stenographer and special counsel when occasion requires. The stenographer, instead of making his headquarters at the administration building of the park system, occupies a part of the downtown office of the park attorney, where his name appears on the door as a practicing lawyer.

Joseph P. Kinsella, a member of the Illinois Legislature, and brother-in-law of the Republican committeeman for the Sixteenth Ward, has held for several years a very favorable concession in Humboldt Park, granted him without advertising or public bids. Mr. Kinsella pays the Park Board \$600 a year. In return he gets living quarters for himself and family in the park building, with light and heat. In addition to the right to maintain refectory service in the pavilion, he is allowed to operate candy stands throughout Humboldt Park. Kinsella has also operated a pay cloak room, rented skates, sold skate straps, and was allowed to keep a piano in the assembly hall, for the use of which he charged \$3 a night. The hall was used 245 times during 1910 for dances, receptions, etc., which made it possible for the piano to earn \$735 during that year. Although he has the exclusive refreshment privilege and abundant table facilities, Kinsella sells only soda water, ice cream, candy, peanuts and cigars during the summer season. There is no place in Humboldt Park where the public can obtain lunch or coffee, except during the skating season, when Kinsella meets the demand. Coffee and lunch should be served in this park, as in others, during the summer season.

The West Park stables have more men to care for 71 horses than the South Park Board finds necessary for 115, or the Lincoln Park Board for 85. The cost of forage per horse in the West Park system for 1910 was \$40 (over 25 per cent) per horse higher than in either of the other two systems. The average prices paid for horses during 1910 was \$310 by the West Park Board, \$273 by the Lincoln Park Board, and \$269 by the South Park Board. Considering that horses of the same kind are used, the West Park system shows an excessive cost of approximately \$40 per horse. Comparisons of labor cost per square yard of pavement laid by the different Park Boards show the highest cost or lowest efficiency in the West Park system. Following are the figures: West Park, 11.08 cents a square yard; Lincoln Park, 10.22 cents; South Park, 8.63 cents.

3. THE LINCOLN PARK SYSTEM.

The administration of the Lincoln Park system has been conservative, careful, and in the main creditable. The Lincoln Park extension work has been well conducted. The new bathing beach at the north end of Lincoln Park has been much appreciated by the public. While this Board has not been so aggressively brilliant as the South Park Board has been in certain respects, neither has it pursued a course to justify the criticisms that may be directed against either the South Park system or the West Park system.

4. THE SMALLER PARK DISTRICTS.

Concerning the seven smaller park districts within the City of Chicago, there is little to be said, except that their Boards are sequestered bodies of which the taxpayers know little. It was with difficulty that the Bureau was able to gather the main facts about these bodies and their business affairs. These districts were called into existence to satisfy in a crude way the needs of communities not within any other park district. Obviously the best way to satisfy these needs is to make the city one park district, and to wipe out these smaller bodies that are destined if they continue to exist to escape public scrutiny and to prove wasteful and inefficient agencies for their purposes.

III. PUBLICITY FOR PARK BOARD AFFAIRS

The administration of park affairs has not had in the past the degree of publicity that is desirable. A strong argument for consolidation of the Park Boards, with concentration of administrative functions at the City Hall, is that it would tend to bring park matters more into the public eye. Neither newspaper reporters nor representatives of citizen organizations find it so easy to follow matters affecting the parks under separate Boards, meeting in scattered places, as they would if there were centralization.

It has been a frequent practice in the past for the Lincoln Park Commissioners and the South Park Commissioners to hold board meetings in private offices downtown, without public notice as to time or place of meeting. All meetings should be held at the Board offices and should be open to the public, unless there should be a special reason for going into executive session upon a particular matter. The same rule should apply to committee meetings, where important matters may be considered by committees. The West Park Board holds open meetings, but the important business is transacted first in secret sessions of the joint committees on finance and maintenance, comprising all the members of the Board. The proceedings in the open Board constitute merely the formal ratification of what has been agreed upon in secret session. On one occasion, when this joint committee was considering a franchise grant to the Chicago Railways Company, a representative of the company was admitted, but others were excluded.

The West Park Commissioners are the only park body in Chicago that publish the minutes of proceedings. The cost of such publication is not large in comparison with the benefit to the public. The South Park Board and the Lincoln Park Board ought to publish their proceedings in printed form.

The procedure of all the Boards in passing ordinances is open to criticism. Often ordinances are passed the day of their introduction. The practice should be to print and postpone final consideration until the succeeding meeting.

IV. FINANCIAL MATTERS

In 1909 the General Assembly of Illinois, as a means of increasing the borrowing power of cities, changed the revenue law so as to make the assessed value of property one-third of the full value, instead of one-fifth. The tax rates of all local taxing authorities were supposed to be changed to correspond, so that the maximum tax levy of each municipality would be the same under the new law as under the old. The only effect of the modifications of the statute, the community was assured, was to give larger borrowing powers.

The inquiries conducted by the Bureau disclose that while the tax rates of the city, county and other local governing authorities were modified so as to yield no more revenue under the new assessed value than under the old, the Park Boards were heavy gainers by the legislation. The tax rates of the South Park Board were not changed at all, so that that body has the right to levy the old rates against the higher assessed value of property.

Under authority of this new legislation, not intended for its benefit at all, the South Park Board increased its tax levy for 1910 by approximately \$400,000. The South Park Board, moreover, is the only one of the local taxing bodies that suffers no actual scaling under the Juul law, but gets the full amount which it levies.

Some of the tax rates of the West Park Board were modified in connection with the legislation changing the assessed value of property from one-fifth to one-third. Other rates of this body were left untouched. Under these conditions the West Park Board was enabled to increase its revenue from taxation for the year 1909 by \$407,581, or 33 1/3 per cent over what it secured in 1908. The Lincoln Park Board, likewise, secured 36 per cent more revenue in 1909 than it had in 1908—an increase of \$281,015. The rates of the small park districts were not changed to correspond with the bond legislation, so that these bodies, of which there are now seven, may levy upon the one-third value the rates intended to be applied to the one-fifth value.

It was sharp practice on the part of all concerned to bring

about the heavy increase of taxation for park purposes as the result of legislation designed to have no other purpose than to give larger borrowing power. The Park Boards ought to make their action conform in the future to the spirit of that legislation. The levies should be such as to produce only the revenue that would be obtained if the valuation for taxing purposes had not been changed.

In 1909, for some unexplained reason, the County Clerk, in spreading the tax levy, gave the South Park Board \$50,534 more taxes than had been called for by the levy of the Board.

Certain bond issues of the South Park Board and of the West Park Board, purporting to have been sold above par, were really disposed of below par, on account of the deferring of payment of all or part of the purchase price for considerable periods of time without interest.

Practically all of the funds of the South and West Park Boards are on deposit with a single bank, officers of which bank are bondsmen for the Treasurers of these two Boards. The Treasurer of the South Park Board is one of the bondsmen for the Treasurer of the West Park Board, and vice versa. It is bad policy to keep all the funds of a park district in a single bank; and especially to concentrate in a single bank practically all of the funds of the two largest park districts. The policy of accepting personal bondsmen is questionable, especially where there is inter-relationship of bondsmen and Treasurers who are officers within a single bank holding large amounts of public funds.

The Lincoln Park and Fernwood Park Boards have sinking funds that are deposited in bank and drawing only two per cent. Authority should be secured to invest such funds in securities bearing a higher rate of interest.

The Lincoln Park Board is the only one to adopt a budget in advance of the making of the annual tax levy. The other Park Boards should put the budget system into use.

V. IMPROVEMENTS PENDING UNIFICATION

The great need of the Chicago Park situation, of course, is the merger of all park governments with the city. In the text of

this report ways are shown how, pending unification, the separate Park Boards may effect savings and bring about increased efficiency. The unnecessary use of automobiles and the excessive cost of police service constitute two of the most conspicuous examples of waste.

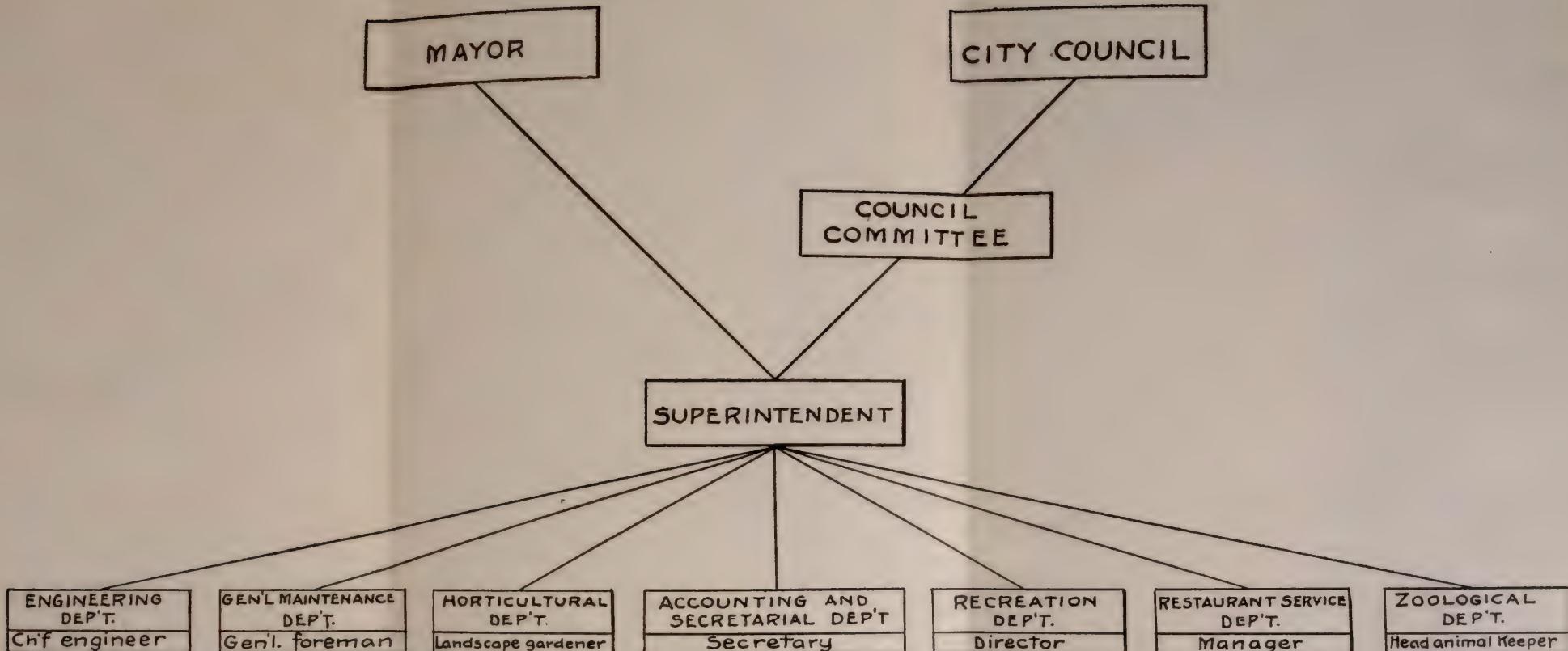
Automobiles owned by the three Park Boards at the close of the fiscal year 1910 represented an original cost of \$50,710. The expense of maintenance and operation for the year 1910 was \$56,901, apportioned among the three Boards as follows: South Park, \$30,848; West Park, \$16,484; Lincoln Park, \$9,569. Wherever automobiles are purchased and maintained at public expense there is a tendency to use them more than public business demands. A study of the situation indicates that the park automobiles are no exception. The automobile expense to the Chicago city government became so excessive that all city-owned machines were sold, except five for the use of the fire and police departments and the Special Park Commission. Automobile service has since been obtained by all city departments on requisition through the purchasing agent. The total cost of such service to the entire city government during 1910 was only \$8,195, as against a cost to the three Park Boards during the same period of owning and operating their machines of \$56,901. The Bureau believes that reductions might be made in the number of machines owned and of chauffeurs employed by the Park Boards so as to effect a present salvage of approximately \$8,000, and an annual saving in cost of maintenance and operation of \$22,000, without impairing in any degree the efficiency of park work. To prevent the misuse of public automobiles, service records should be kept showing the necessity for use. Another method of keeping down expense would be to paint all machines owned by the Park Boards a distinctive color, with the name of the Board in large letters on both sides of each machine.

The cost of park police service has been increasing at a rapid rate in recent years. The number of men on the police payrolls is larger than the requirements of the service call for. There is much needless duplication of work on the part of park and city policemen, especially in boulevard duty. Greater efficiency might be had at smaller cost by supplying some of the

park police with motorcycles. The saving that might be effected by the three Park Boards in cost of police service is estimated at not less than \$60,000 a year.

The efficiency of the working organization of each system has been impaired by the failure to delegate sufficient authority to department heads and to charge them with responsibility. Better results should be obtained if each of the three large Park Boards would adopt a more scientific form of organization. A suggested plan of reorganization for each Board is described and also charted in the report.

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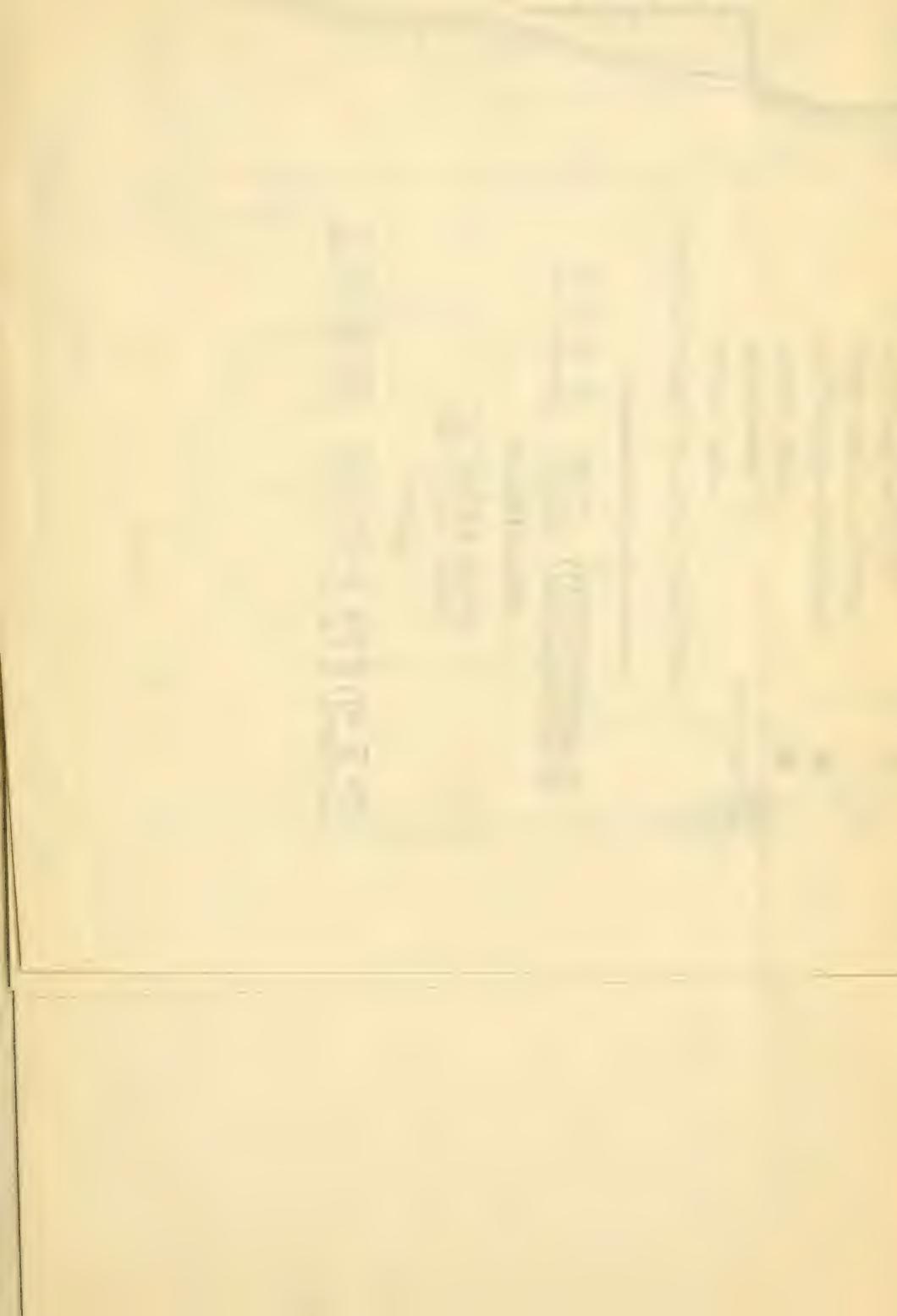
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Oct. 1911

CHART OF ORGANIZATION UNDER CONSOLIDATION
AS SUGGESTED BY THE
CHICAGO BUREAU OF PUBLIC EFFICIENCY

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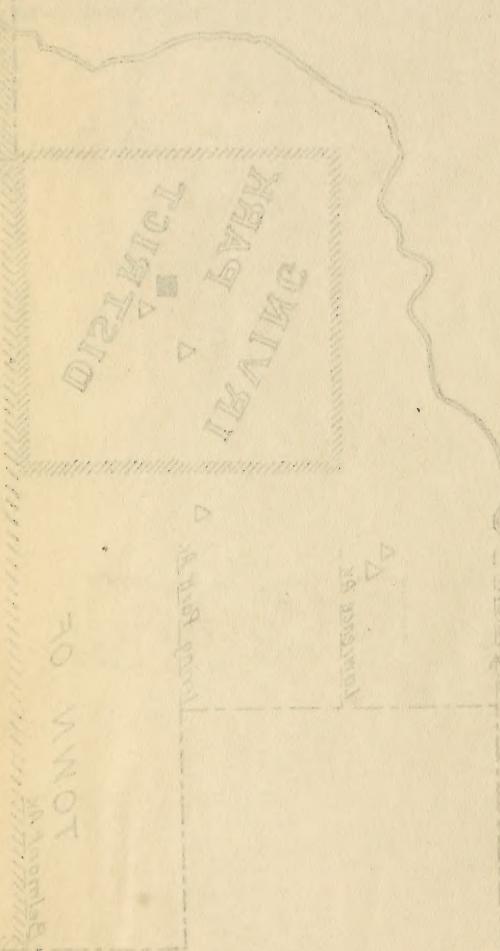


LINCOLN PARK

DISTRICT
LINE

TOWN OF

TOWN OF



TOWN OF COONCREEK TOWNE

TOWN OF NAME
TOWN OF NAME
TOWN OF NAME

TOWN

400 ft

100 ft

50 ft

25 ft

12.5 ft

6.25 ft

3.125 ft

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CHICAGO BUREAU OF PUBLIC EFFICIENCY

Purposes as Stated in the Plan of Organization

- (1) To scrutinize the systems of accounting in the eight local governments of Chicago.
- (2) To examine the methods of purchasing materials and supplies and letting and executing construction contracts in these bodies.
- (3) To examine the payrolls of these local governing bodies with a view of determining the efficiency of such expenditures.
- (4) To make constructive suggestions for improvements in the directions indicated under 1, 2 and 3, and to co-operate with public officials in the installation of these improved methods.
- (5) To furnish the public with exact information regarding public revenues and expenditures, and thereby promote efficiency and economy in the public service.

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